



FY 2002 Annual Report

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GLOSSARY OF ACRONYMS

ACF	-	Agricultural Consultative Forum
ADR	-	Alternative Dispute Resolution
AGOA	-	African Growth and Opportunity Act
AID/W	-	Agency for International Development – Washington
BESSIP	-	Basic Education Sub-sector Investment Program
CARE	-	Cooperative for Assistance and Relief Everywhere
CMS	-	Credit Management Services
COMESA	-	Common Market for Eastern and Southern Africa
CSH	-	Child Survival and Health
CSMC	-	Community Sensitization and Mobilization Campaign
CSP	-	Country Strategic Plan
CY	-	Calendar Year
DA	-	Development Assistance
DCHA	-	Democracy, Conflict and Humanitarian Assistance
DBA	-	District Business Associations
EGAT	-	Economic Growth, Agriculture and Trade
EMIS	-	Education Management Information System
FY	-	Fiscal Year
GDP	-	Gross Domestic Product
GRZ	-	Government of the Republic of Zambia
HIPC	-	Heavily Indebted Poor Country
HIV/AIDS	-	Human Immuno-deficiency Virus/Acquired Immuno Deficiency Syndrome
IRI	-	Interactive Radio Instruction
LAZ	-	Law Association of Zambia
LCP	-	Local Compensation Plan (Foreign Service Nationals/FSN)
MOE	-	Ministry of Education
MOH	-	Ministry of Health
NGO	-	Non Governmental Organization
NORAD	-	Norwegian Development Agency
OVC	-	Orphans and Vulnerable Children
P/MTCT	-	Parent/Mother-to-Child Transmission
PAC	-	Post-abortion Care
PAGE	-	Program for the Advancement of Girls Education
PMP	-	Performance Management Plan
RNFE	-	Rural Non-Farm Enterprise
RUDO	-	Regional Urban Development Office
SHN	-	School-Based Health and Nutrition
SO	-	Strategic Objective
UNFPA	-	United Nations Fund for Population Activities
UNICEF	-	United Nations International Children’s Education Fund
USAID	-	United States Agency for International Development
VCT	-	Voluntary Counseling and Testing
WTO	-	World Trade Organization
ZWRASM	-	Zambia White Ribbon Alliance for Safe Motherhood

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FY2001 PERFORMANCE NARRATIVE

Challenges

Zambia is attempting to consolidate a political transition from decades of one-party autocracy to a dynamic multi-party democracy. Fundamental economic liberalization is accompanying this political transformation. Zambia's per capita gross domestic product in 2000 was only \$287 and external debt at the end of December was \$7.3 billion. Zambia was approved for debt relief under the enhanced Heavily Indebted Poor Country (HIPC) initiative in December 2000. This has provided some relief and will eventually reduce Zambia's crippling debt service significantly. Zambia's political and economic development is impeded by its narrow economic base, limited foreign and domestic investment, high population growth rate of 2.9%, a weak education system with over 700,000 children not attending primary school and governance issues and corruption, which obstructs effective functioning of the justice system, essential for democratic governance.

The greatest threat to Zambia's future development is the HIV/AIDS pandemic with approximately 20% of adults (1998) infected with the virus. As AIDS death rates increase, a secondary crisis has emerged with an estimated 1.25 million children (27.4% of children under age 15) orphaned at the end of 2000. Malaria continues as the number one killer of children under five and a leading cause of illness in all age groups. The maternal mortality rate of 649 per 100,000 live births (1996) is one of the highest in Africa.

In 2001, USAID's program in Zambia made significant gains. Despite the negative impact of adverse weather on agriculture, USAID helped improve rural incomes through support for a liberalized economic policy environment and innovative programs dealing with agricultural and non-farm enterprises, conservation-related farming technology, and community-based natural resource management in protected areas. Access to education for the rural poor, girls, orphans, and other vulnerable children was improved by supporting basic education and nutrition on a community level, while promoting creative approaches to education. In the health sector, USAID supported a range of programs in family planning and maternal health, vitamin A food fortification and supplementation, immunization, and integrated management of childhood illnesses. USAID programs also promoted democracy, including support for public debates on major issues of civic concern.

In recognition of the fact that HIV/AIDS is not just a health problem but an overall development challenge, USAID coordinates HIV/AIDS as a cross-cutting issue to enhance the capacity of all development sectors in Zambia to deal with the wide-ranging impacts of the disease.

Program Performance

Strategic Objective and Number: Increased rural incomes of selected groups – 611001

Rural incomes of selected groups continue to increase and the overall policy environment for trade and investment in rural and semi-urban areas is improving. This SO stimulates private sector-led growth in selected areas of Zambia's rural economy, and the potential for sustainable cultivation of food and high value exports is high. The beneficiaries are farmers and rural non-farm enterprises (RNFE), who depend upon the natural resource base for their employment and incomes.

During FY2001, USAID investments resulted in increased private sector demand for new technologies, market links between producers and buyers, liberalized trade policies and an improved environment for investment in rural Zambia. Overall, this SO met its expectations as the successes

of farmers and RNFEs have resulted in market efficiency, access to micro finance, increased productivity and diversification. These results contribute to all the Economic Growth, Agriculture and Trade (EGAT) objectives of 1) critical, private markets expanded and strengthened; 2) more rapid and enhanced agricultural development and food security encouraged; and 3) access to economic opportunity for the rural and urban poor expanded and more equitable.

Achievements:

Increased Incomes: Small scale farmers and RNFEs incomes increased by 11.5% (target 20%) to \$8,608,738 in 2001. The drought in parts of the country and an above average rainfall and flooding in other areas caused major food deficits and declines in agricultural production and had a negative impact on related income generation.

Increased Sustainable and Natural Resources Production: A range of improved technologies and management skills were provided through USAID's program. These include diversified cropping, organic farming, fallow technology, conservation farming and natural resource management. The number of farmers benefiting increased to 59,071 (exceeding the target of 40,000), of which 45% were women. Steady progress is being made by USAID partners in assisting farmers to diversify into new cash crops with higher gross margins and yields and to food security crops requiring less inputs and labor. The latter is particularly beneficial to farmers affected by HIV/AIDS. Crops such as sunflower, maize, cowpeas, groundnuts, sorghum, paprika, soya beans and cassava promoted under this strategic objective (SO) have increased yields and show great potential for sustainable incomes to small farmers. In addition, by end September 2001, there were 39 large-scale organic farmers and 3,100 smallholder farmers with certification and covering more than 19,688 hectares of organic production.

Increased Contribution of Rural Non-Farm Enterprises (RNFE) to Private Sector Growth: Remarkable progress was made in membership growth of the USAID supported Zambia Chamber of Small and Medium Business Associations, the largest small business chamber in the country. Company membership increased from 4,250 in FY2000, to 7,700 in 2001, with 37% women members. The Chamber operates through District Business Associations (DBA) in all nine provinces of Zambia, providing fee-based business development services to its membership. Linkages between private and public sector entities in the Livingstone area, which include the establishment of buyer and supplier meetings, and contracts with large South African companies, lodges and the Zambia Air Force have provided outlets for farmers and businesses supplying vegetables and other produce.

The Kazungula milk station project is an example of how USAID assists in leveraging partnerships to effectively increase the developmental impact on the lives of many individuals. An alliance between Zambia Agribusiness Technical Assistance Center and CARE Livingstone Food Security Project, two of the SO's activities, resulted in the establishment of a milk collection center. Three hundred and sixty small-scale farmers in the Kazungula district of Southern Province were linked to Finta Dairies, a large agribusiness milk processor, to supply 2,400 liters of milk per day. Finta Dairies provided the market and conducted training in hygiene for the farmers. Japanese aid provided the cooling equipment. This development greatly expands small farmers' potential for raising incomes. In addition, the International Executive Services Corp supported this endeavor by providing bookkeeping training to the farmers to improve efficiency in management of funds. In another instance, USAID through non-governmental organization partners helped develop a successful public-private partnership with the Livingstone City Council that established the Livingstone Council Advisory Board, to integrate resources of the many agencies and companies involved in the planning and development of Livingstone.

Technical assistance to strengthen the rural based entrepreneurial capacity and the involvement of financial institutions made significant contributions to improved rural incomes. Sixty-four DBA members accessed approximately \$86,000 in credit in FY2001, a noteworthy achievement, considering the risk aversion of Zambia's commercial banks towards lending to small entrepreneurs. In addition, 835 farmers of USAID's natural resource management program were assisted with agricultural loans totaling \$44,000. USAID supported Credit Management Services (CMS), Zambia's largest microfinance organization provided loans totaling \$406,292 to 1,915 women and 952 men during the period under review. CMS's rural clients were affected by adverse weather conditions, making it difficult to repay all their loans. Subsequently, CMS has developed and is implementing a new strategy to improve repayment rates. The successful implementation of this strategy has led to farmers managing natural resources attaining a repayment rate of 95%. Rural non-farm access to finance through inputs and credit totaled \$2,046,516 achieving 68% of target. This was due to the shortfall in leveraged commercial credit as a result of the prevalent low loan repayment culture in Zambia. However, producer gains have increased through provision of credit, agro inputs such as seed and fertilizer for production of higher value crops, and bulk purchase and sale of inputs and outputs to lower marketing costs and improve market efficiency.

Improved Trade and Investment: In addition to progress at the farmer and business level, there was significant progress at the policy level, which improved Zambia's economic environment. During 2001, the value of non-traditional agricultural and natural resource exports rose to \$300 million exceeding the target of \$287 million. Significant exports in horticultural and processed foods, tourist arrivals to view the total eclipse of the sun in June 2001 and attendees of the African Union Meeting held in Lusaka contributed to this increase. USAID, helped improve government's and private sector's capacity to achieve World Trade Organization (WTO) legal and regulatory compliance and assisted in the analyses and formulation of negotiation positions for the WTO Ministerial meeting held in Doha in November 2001. Particular emphasis was placed on added value of horticultural and floricultural products, Zambia's fastest growing non-traditional export. USAID provided technical assistance to the Ministries of Commerce, Trade and Industry, Finance, Legal Affairs and private sector export associations for analysis leading to Zambia's entry to the Common Market for Eastern and Southern Africa (COMESA) Free Trade Area, which commenced in October 2000. This has resulted in a 28% increase over year 2000 exports to COMESA countries. This technical assistance was also instrumental in drafting the African Growth and Opportunity Act (AGOA) regulations and textile visa requirement for Zambia, which the U.S. Government subsequently approved in December 2001. With AGOA in place, large markets will be opened to the Zambian cotton, yarn and textile industries as well as fresh produce, to become more competitive to access the U.S. market.

As a result of USAID's interactions with the Ministry of Finance and Economic Development, trade was included as a cross-cutting theme in all economic growth sectors of the Poverty Reduction Strategy Paper, to mainstream the objectives of the Integrated Framework for Trade. To enhance policy decision and formulation, the agricultural analytical and statistical capacity of the staff of the Ministry of Agriculture and the Central Statistics Office was strengthened through provision of appropriate training. The USAID, Dutch and NORAD-supported Agricultural Consultative Forum (ACF) continues to be a source of essential information for policy makers in the agricultural sector. The ACF assisted the GRZ on modalities to collaborate with the private sector to import maize to meet the estimated 200,000 ton maize shortfall in 2002. Using data from USAID/W funded Famine Early Warning Systems Network, it ensured that the government met its objective of providing food to Zambians at affordable prices while addressing private sector concerns of overly lowering prices through wholesale government imports.

Global and Regional Collaboration: USAID/Zambia collaborates with USAID's Regional Center for Southern Africa and Regional Economic and Development Services Office trade programs to deal

with the Southern African Development Community and the COMESA to promote closer regional ties. Close collaboration exists between USAID/Zambia and the Office of Energy, Environment and Technology, Bureau for EGAT who have provided technical assistance to the Zambia Privatization Agency on the concessioning of the state-owned Zambia Electricity Supply Corporation, the United States Energy Association, Energy Partnership Program between the Zambian Energy Regulation Board and two U.S. regulatory commissions, and a number of targeted training workshops.

Changes to the SO: The SO team will be reviewing and revising the Performance Management Plan (PMP) by the end of the calendar year to add indicators now mandated by AID/W and adjust others. Data quality assessments will also be performed for all PMP indicators.

Strategic Objective and Number: Improved quality of basic education for more school aged children - 611002

Improving the educational level is critical to achieving all USAID objectives in Zambia. A skilled and educated workforce helps catalyze economic development and higher levels of education lead to increased incomes and improved health practices. The benefits of the SO are aimed toward school-aged children, including orphans, girls, and other vulnerable children. Other beneficiaries include Ministry of Education (MOE) personnel at headquarters, provincial and district levels, school teachers, and school communities. The Government of the Republic of Zambia's (GRZ) commitment to the education sector in 2001 was demonstrated by the lifting of government-imposed primary school fees, the expansion of its efforts to devolve decision-making and funds from headquarters to districts from one to four provinces. The new administration that emerged from the December 2001 elections underscored its commitment to improved and expanded education.

This SO met its overall expectations by delivering school based health, nutrition and quality basic education to school aged children, and strengthening the capacity of MOE's delivery systems and its quality of information available for education decision making processes. The SO directly supports the Agency's EGAT objective to expand access to quality basic education for under-served populations, especially for girls and women.

Achievements

Improved Quality of Learning Environments in targeted areas: During FY2001, USAID support for the interactive radio instruction (IRI) program expanded from 21 IRI centers with a total enrollment of 1,254 pupils in two provinces in 2000 to a total of 169 centers (target 171) in all 9 provinces with a total enrollment of 7,782 in 2001. The number of children enrolled in USAID-supported basic education schools and IRI centers dramatically increased from 12,565 pupils in 63 basic education sites in 2000 (40 government schools, 2 community schools, and 21 IRI centers) to 37,140 pupils enrolled in 256 basic education sites in 2001 (85 government schools, 2 community schools, and 169 IRI centers).

An assessment of Grade 1 learners from a sample of 405 pupils in 30 IRI centers (18% of 169 centers) indicated that pupils learned from the lessons. The literacy skills assessment, based on the MOE's Grade 1 curriculum, indicated a mean score performance of pupils of 56.5% as compared to a target of 47% and the conventional primary school standard set for "passing" of 50% or better. An analysis of the Grade 1 pupil profiles collected from the same centers indicated that over 32% were orphans, 48.7% were female, and only about 17% of the enrollees had received schooling prior to IRI. The MOE commenced broadcasting a 6-month package of 200 Grade 2 radio lessons in August 2001 and began developing Grade 3 lessons.

USAID continued to develop and strengthen the capacity of MOE Education Broadcasting Services by training 21 writing and production staff including 10 new staff members to develop IRI programming and providing studio equipment to reduce production delays. Each IRI center represents a partnership between the MOE and a community group, non-governmental organization, or individual. The MOE agrees to broadcast lessons, train IRI mentors, and provide mentors guides and some supervision while the communities provide radios, recruit IRI mentors, provide center venues, mobilize local out-of-school children to attend, and provide minimal teaching aids such as chalk and chalkboard.

Improved Delivery of School-based Health and Nutrition (SHN) Interventions to Support Pupil

Learning: USAID made significant progress in assisting the MOE to introduce SHN interventions in 40 schools in Eastern Province and set up a pilot SHN delivery system in 20 of those 40 schools for the treatment of worms and provision of micronutrients. Preliminary analysis of SHN baseline data collected on pupils in the 20 pilot schools indicate that half of the surveyed schools have a greater than 50% positive rate for urinary schistosomiasis, while considerably more than half of the schools have a greater than 50% positive rate for other worm infestation. Left untreated, moderate to heavy worm infections in children can lead to malnutrition, anemia, stunting, poor school attendance and learning difficulties. Japan has partnered with USAID for the first time in education for this activity by funding the MOE's purchase of all the de-worming and micronutrient supplies required for the USAID supported delivery system.

Setting up the SHN delivery system in the 20 targeted schools was a complex and significant accomplishment, given the requisite collaboration of personnel in the Ministries of Health, Education, and Community Development. Over 200 SHN teachers, community health workers, and representatives from District Health Management Teams and the Ministry of Community Development were trained in SHN interventions, with teachers and in-service providers trained to calculate and administer proper dosages, to keep proper SHN pupil records, and to administer the cognitive assessment instrument in the pilot schools to establish the baseline information. Communities in the 40 SHN school catchment areas were sensitized to SHN and HIV/AIDS issues through popular drama, public meetings, and discussions with village leaders.

Improved Information for Education Decision Making Processes: USAID's support for Zambia's National Census in 2000, combined with the short term technical assistance provided to the MOE for its education management information system (EMIS), led to the establishment of an EMIS platform and a significant improvement in the accuracy of education data available to education planners for making better-informed decisions. Unlike previous years when Basic Education Sub-Sector Investment Program (BESSIP) partners, including the World Bank, disputed MOE education statistics reports, BESSIP partners at this year's annual review accepted the report without requiring modifications. However, a key target toward the production of a timely annual school census report (e.g., CY2001 data reported in this year's CY2001 results reporting) was not reached, due to delays in establishing a long-term technical assistance mechanism to address this problem.

The current national census (2000) school-age population figures revealed that the primary school population (the 7-13 year age range) had been underestimated by about 250,000 and therefore the past gross and net enrollment rates from the MOE were artificially high. The most recent school enrollment number is 1,589,544 pupils for 2000. Boys' enrollment still exceeds that of girls but the gender gap has slowly decreased to 7.4%, as compared to an 8.8% gap in 1996. Net admission rate is at 37%, with girls enrollment being 36% at the national level, reaching near parity with that of boys which is 38%. The current, more accurate information will inform the MOE's five-year strategic planning process that began this year, with a first draft of a plan to be completed by June 2002.

Mitigation of HIV/AIDS Impact: Given the rate of HIV infection and its significant negative impact on education, USAID assisted the MOE to develop its first HIV/AIDS strategic plan, which led to its 2001 HIV/AIDS annual plan. The EMIS strategy incorporates the development of district and school-level HIV/AIDS data to help planners understand how the educational system is affected in order to address these effects. The teacher-training component of SHN teaches life skills so teachers can transfer important attitudes, knowledge and skills to their pupils regarding HIV/AIDS. The community mobilization effort integrates HIV/AIDS information to ensure that parents and community leaders consider what HIV/AIDS is, how it affects life in Zambia, and measures to prevent their children, especially girls, from the disease. In addition, the IRI program provides basic education to out-of-school AIDS orphans and other vulnerable children who have no access to government schools.

Changes to the SO: The SO team will be reviewing and revising the PMP by the end of the calendar year. Data quality assessments will also be performed for all PMP indicators. The timeframe of the SO2 report is CY2001, reflecting the January to December school year of the MOE's BESSIP. Enrollment figures for the government schools are taken from the official MOE BESSIP 2000 Programme Performance Indicators Report (November 2001), which is based on 2000 National Census and MOE's 2000 annual school census. The IRI enrollment numbers are based on 2001 IRI center enrollment and pupil profiles collected by the MOE's Education Broadcasting Services.

Strategic Objective and Number: Increased use of integrated child and reproductive health and HIV/AIDS interventions - 611003

USAID focuses its health sector program both on key national level interventions and specific activities in 30 districts that account for approximately 60% of the total Zambian population. USAID assistance continues to strengthen the institutional capacity of the Ministry of Health (MOH) and district and community level health workers to improve their capabilities to implement Zambia's health reforms. The ultimate beneficiaries are the Zambian citizens, who receive better health care through expanded access to quality public health services addressing HIV/AIDS, infectious diseases, child survival and family planning/reproductive health. Overall, the SO met expectations during FY 2001 and contributes to all of the Agency's Global Health objectives.

Achievements

HIV/AIDS: Zambia is one of four "rapid scale-up" countries worldwide and progress in all HIV/AIDS intervention areas has been strong. The 2000 Zambia Sexual Behavior Survey confirms positive trends in behavioral changes. Between 1998 and 2000, the proportion of persons reporting a non-marital sexual partner declined from 30% to 22% for men and from 12% to 11% for women. During the same period, condom use among sexually active persons with non-marital partners increased from 33% to 39% for men and from 24% to 33% for women (exceeding the targets of 35% for men and 28% for women). A 2000 evaluation of the nationwide, youth-targeted, mass media campaign revealed that HIV/AIDS prevention messages promoting abstinence and condom use reached 71% of urban and 37% of rural youth. Of those who recalled the messages, approximately 74% of male and 68% of female viewers said the media messages prompted them to change their behavior. The most frequent change was a decision to remain abstinent or to return to abstinence. Additional prevalence and behavior change data will be reported in 2002 as Zambia is currently carrying out both a Demographic and Health Survey (the first ever to include both HIV and syphilis testing) and national sentinel surveillance for HIV and syphilis.

Sales of socially marketed male condoms reached 10.1 million during CY2001 (exceeding the target of 9.5 million and a 17% increase over CY2000). The Zambia Voluntary Counseling and Testing

(VCT) Partnership conducted baseline assessments in four Phase I districts to identify key obstacles to acceptance of VCT. Barriers such as concern over confidentiality and high levels of community social stigma against HIV/AIDS were significant findings that will guide the development of VCT services. USAID partners with other donors in this initiative and specifically supports VCT promotion and community mobilization. Four new brochures on VCT were produced and disseminated this year. Prevention of parent/mother-to-child transmission (P/MTCT) of HIV activities focused on the Ndola demonstration project. While 946 persons were counseled and tested in the six Ndola sites in CY2001, VCT uptake has not increased as hoped given additional inputs and experience. USAID and the implementing partner are re-examining the model before initiating this year's planned scale up.

The Cross-Border Initiative, a collaborative model supported by the Mission, regional USAID HIV/AIDS funds and the Japan International Cooperation Agency, diagnosed and treated 5,687 commercial sex workers and 1,096 truck drivers for sexually transmitted infections. The program works in seven key Zambian border sites, making it one of the most comprehensive in the region. Target groups for the HIV/AIDS awareness component were expanded to include moneychangers, uniformed services, youth and cross-border traders.

Orphans and Vulnerable Children (OVC): Thirty USAID funded non-governmental organizations/community based organizations working in eight districts reached 54,063 OVCs in 7,683 households (approximately 15% of the OVCs in the target areas). USAID's partners assisted communities with priority needs, including increasing household food security through income-generating activities, and maintaining OVC's access to education through strengthening or establishing community schools. In one district, USAID funds helped leverage additional donor funds to benefit approximately 8,000 more OVCs. USAID, in collaboration with UNICEF and the Ministry of Youth, Sports and Child Development, helped to draft national OVC guidelines which will identify a minimum package of services to be provided by organizations supporting OVCs.

Malaria: As a malaria "plus-up" country, USAID developed a five-year malaria strategy to include rapid scale up of insecticide-treated net distribution, and more emphasis on appropriate care-seeking behavior and on intermittent presumptive treatment of pregnant women. Sales of these nets were 81,000 (exceeding the target of 60,000). New initiatives were started to reach additional children and pregnant women through a partnership with a large faith-based organization and to expand access for the general population through NetMark's partnership with the private sector. USAID advocacy for reduction of taxes and tariffs helped to eliminate tariffs on nets. USAID continued to advocate for the elimination of value-added tax, which the GRZ announced it was lifting in its budget presentation on March 1, 2002. A \$1.5 million grant from the Centers for Disease Control and Prevention that includes additional funds for research, training and surveillance was secured by the National Malaria Control Center with assistance from the USAID-funded National Malaria Advisor.

Child Health: For the fifth year in a row, USAID support to the national vitamin A supplementation program resulted in over 80% coverage, with 81% of all children aged 6-60 months receiving a supplement during the August distribution round. USAID-supported multi-nation research has documented that coverage of 80% can yield under-5 mortality reductions of 20% or more. The USAID target of 85% for 2001 was not met. However, given the current national resources for this activity it will be adjusted to 80%, a more realistic, sustainable target, during the next revision of the Performance Monitoring Plan. All domestic sugar in Zambia has been fortified with vitamin A for the fifth consecutive year. USAID's support to raise nationwide awareness of the benefits of vitamin A and to enforce government fortification regulations is key to this successful partnership with the private sector.

Sales of the socially marketed home water treatment product Clorin during CY2001 were 1,028,000 million bottles, 58% over the target of 650,000 and 81% over sales in CY2000. Clorin is being promoted to reduce exposure to diarrheal disease. Children under five and areas with seasonal cholera outbreaks are targets, but sales figures indicate increasingly widespread year-round use. A key indicator of successful child health activities, immunization coverage exceeded expectations. Preliminary CY2001 figures show 84.7% of children were fully vaccinated by 12 months of age over a target of 78%.

Reproductive Health/Maternal Health: Sales of socially marketed oral contraceptives exceeded expectations to reach 518,000 (target 500,000) during CY2001. During 2001, 161 health workers were trained in family planning and reproduction health, making a total of 76% of health workers in 12 target districts who have upgraded their knowledge and skills. Renovation of 57 health clinics was completed, providing additional facilities for family planning, including private examination and counseling space, youth corners and education areas. UNFPA joined USAID in helping the MOH to produce and distribute nationally a Family Planning Counseling Kit that features counseling tips for youth and men, and information on post-abortion care.

USAID helped revise the Zambian pre-service registered midwifery curriculum to reflect current practice in post-abortion care (PAC), management of labor, management of malaria in pregnancy, VCT for HIV/AIDS, and prevention of mother-to-child transmission. Similar revisions are underway for the basic nursing curriculum. A National Task Force for PAC was reconstituted and the three PAC training sites, established in 2001 in national referral and teaching hospitals, now deliver comprehensive services, including family planning to help prevent unwanted pregnancies. To create demand for improved maternal and newborn health services and to establish links between the community and service delivery providers, USAID helped establish the Zambia White Ribbon Alliance for Safe Motherhood (ZWRASM), which was launched in May 2001 with 22 institutional members. Local and national events to raise awareness of pregnancy risks and encourage planning for safer deliveries included community-theater, a national journalist competition, educational programs on television and radio, and development of community action groups. USAID support to ZWRASM has leveraged additional funding from UNFPA for advocacy and social mobilization activities.

Sector-wide Assistance: USAID continues to support the implementation of Zambia's health reforms through strengthening systems of the Ministry of Health (MOH), Central Board of Health, Provincial Health Offices and District Health Management Teams. A Policy Status Report was produced for the first time, providing a comprehensive overview of key policies and their stages of development. The Hospital Policy, a core reference for reform, was submitted to Cabinet. The authority and responsibility of provinces and districts in the annual planning process was strengthened, building on previous work to make plans more realistic and useful. Skills in reporting information and use of data for decision-making were improved at all levels through support for the Health Management Information System. Efforts to inform and educate the general public and health workers on key health issues through the mass media "Better Health Campaign" and training of over 6,025 Neighborhood Health Committees members will continue to increase demand and supply of quality health services. USAID's sector-wide assistance program released \$500,000 to the District Health Services Basket when the MOH successfully met the performance milestone of submitting a national health care financing policy to cabinet.

USAID participated in the development of the health sector chapter of Zambia's Poverty Reduction Strategic Plan and is an active partner in the MOH's current deliberations on expansion of the sector-wide approach. USAID also provides guidance and support in planning and implementation of new initiatives such as HIPC debt relief and Zambia's application to the "Global Fund to Fight AIDS, Tuberculosis and Malaria."

Changes to the SO: The SO team will be reviewing and revising the PMP by the end of the calendar year to add indicators now mandated by AID/W and adjust others. Data quality assessments will also be performed for all PMP indicators.

Strategic Objective and Number: Expanded opportunities for effective participation in democratic governance – 611004

SO4 targets the citizens of Zambia so as the young democracy evolves, they can increasingly participate in democratic process, influence public policy, and give feedback on how effectively government implements policy and delivers services. In FY2001 Civil society advocacy took a qualitative step forward in activism to generate public pressure. This successfully prevented a change in the Constitution of Zambia, which would have allowed the then incumbent President to run for a third term. This is of great significance to Zambia and contributes to the Agency's Democracy and Conflict and Humanitarian Assistance (DCHA) objective to promote development of politically active civil society.

In early 2001, the redesign of the SO with USAID Washington input took place. While the SO remains the same, its components focus on support to alternative dispute resolution and legal information access, and increased public debate, which now accents civil society organizations and media as partners and direct beneficiaries rather than government institutions. The third component, the local government activity was suspended due to funding constraints. The SO made important progress in selecting its partner to support a permanent alternative dispute resolution center and the new institutional contractor who was mobilized in September 2001 to implement increased public debate as the cornerstone of the SO. The SO team also worked with the Embassy to design a targeted support program for the presidential and parliamentary elections held in December 2001. Final enactment of the new Arbitration Act was another important achievement that took a major step toward providing a means of resolving cases outside the court system. In the light of the redesign and subsequent activities carried out, this SO is judged to have met its expectations.

Achievements

Increased Efficiency of the Administration of Justice: From an abyss, basic alternative dispute resolution (ADR) legal reform was achieved, spearheaded by the Law Association of Zambia (LAZ) and the Judiciary. USAID assisted in the repeal and replacement of the Arbitration Act from the 1930s with a new Arbitration Act in December 2000. The LAZ, with USAID support, became the first civil society group to lead a policy reform exercise, from legislative drafting to approval by Parliament in a record 12 months. This helped to bring Zambia in line with international standards for commercial dispute resolution, through arbitration, which is essential for attracting foreign investors. The Arbitration Association was legally established and 150 trained arbitrators and mediators began resolving cases expeditiously on a basis of client-contracted services. A total of 453 cases were referred to mediation greatly exceeding the target of 200. This was due to the under-estimation of the backlog of litigation cases which could be handled by mediation. However, the number of Arbitration cases resolved fell short of the target of 50 cases by 31, due to the delay in legal recognition of the two institutions, Zambia Dispute Resolution Center and the Zambia Association of Arbitrators, to handle arbitration cases. The ADR system has helped to avoid the prolonged delays resulting from case backlogs and is ensuring a more timely dispensation of justice, with reason to anticipate that ADR will become permanent in the Zambian justice system.

USAID assisted a local institute within the University of Zambia to develop a legal information website to provide ready access to legal information, reduce resolution timeframes and improve legal institutional effectiveness and overall justice performance. A survey of legal professionals,

which comprises lawyers, judges and researchers was completed. This established a baseline on access to legal information, which indicated that only 7-10% of practicing lawyers presently have regular access to online information.

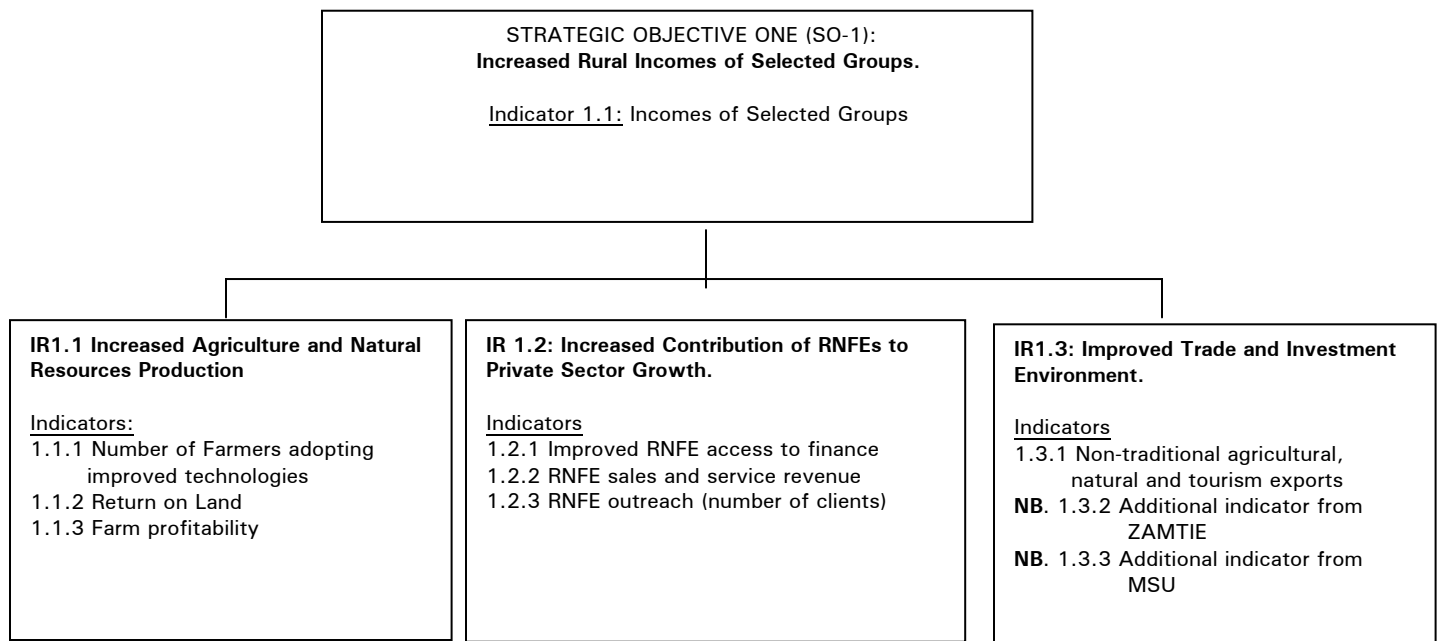
Increased Public Debate: USAID catalyzed and recently collaborated with other donors to support the “Oasis” debate in Zambia, which focused on a constitutional issue of presidential term limits. This election-related debate involved a civil society group comprising churches, the LAZ, a women’s coordinating group, and other parties who peacefully and successfully lobbied and fought against an amendment to the Zambian Constitution which would have allowed the then incumbent President to serve a third term. “Oasis”, named after the venue of the first public meeting, became a series of seminars and public gatherings, street protests and debate throughout the country. In mid 2001, the President declared he would not run again. The “Oasis” debate was a major breakthrough, which demonstrated the influence that civil society can carry in the political arena and is a significant contribution to the Agency’s DCHA objective.

More Effective and Inclusive Local Government: Joint technical and financial inputs from USAID/RUDO Pretoria and the Mission contributed to the local governance sector despite the cutback in Mission funds. Support to the Ndola municipality and its citizens helped define a strategic plan to promote local economic recovery and environmental protection. The previous Movement for Multi-party Democracy government announced that one of the strategic recommendations, namely instituting tax incentives, would be implemented to help Ndola recover from losses due to privatization of copper mines.

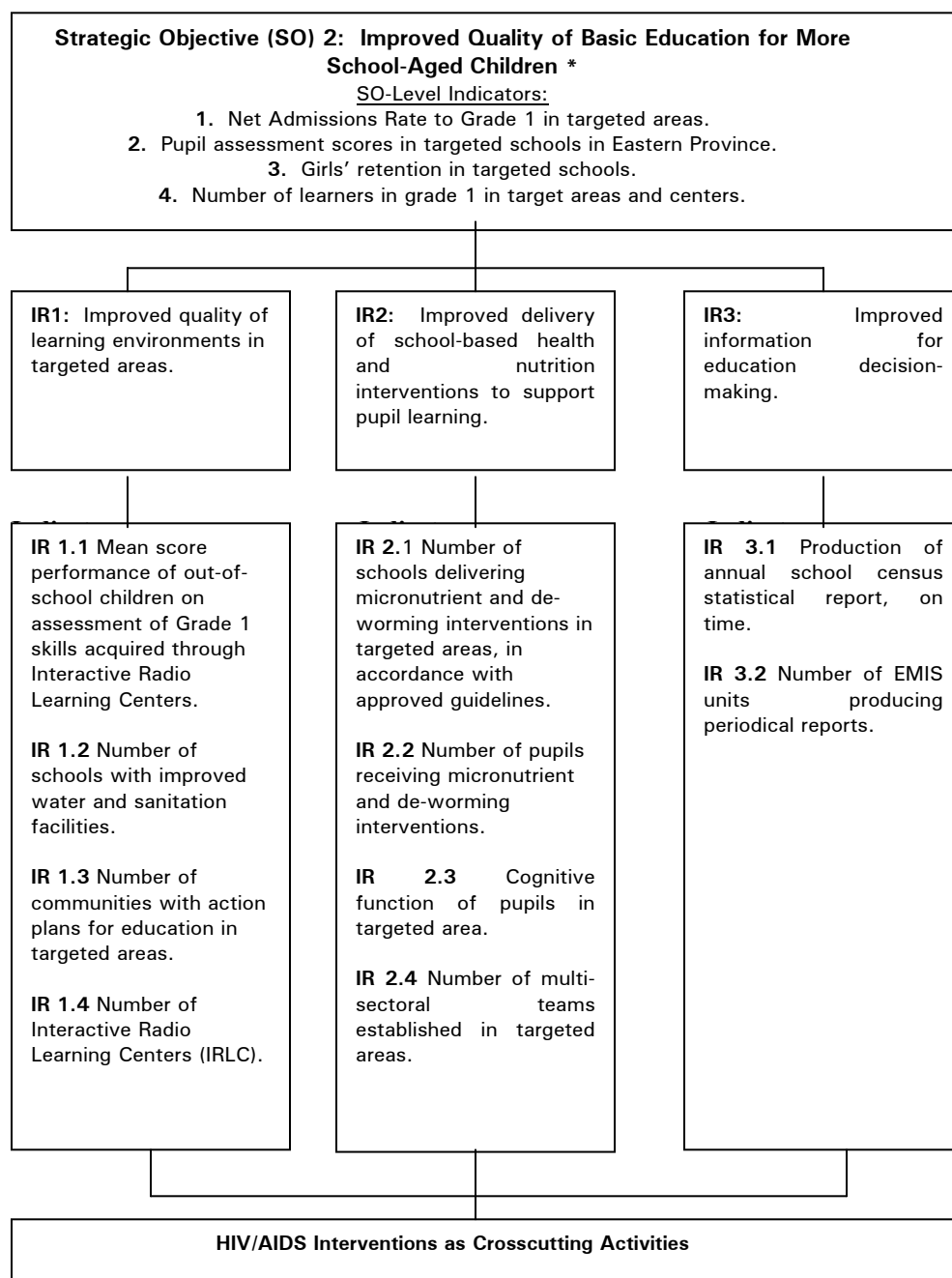
Changes to the SO: The SO team will be reviewing and revising the PMP by the end of the calendar year. Data quality assessments will also be performed for all PMP indicators.

A. RESULTS FRAMEWORKS

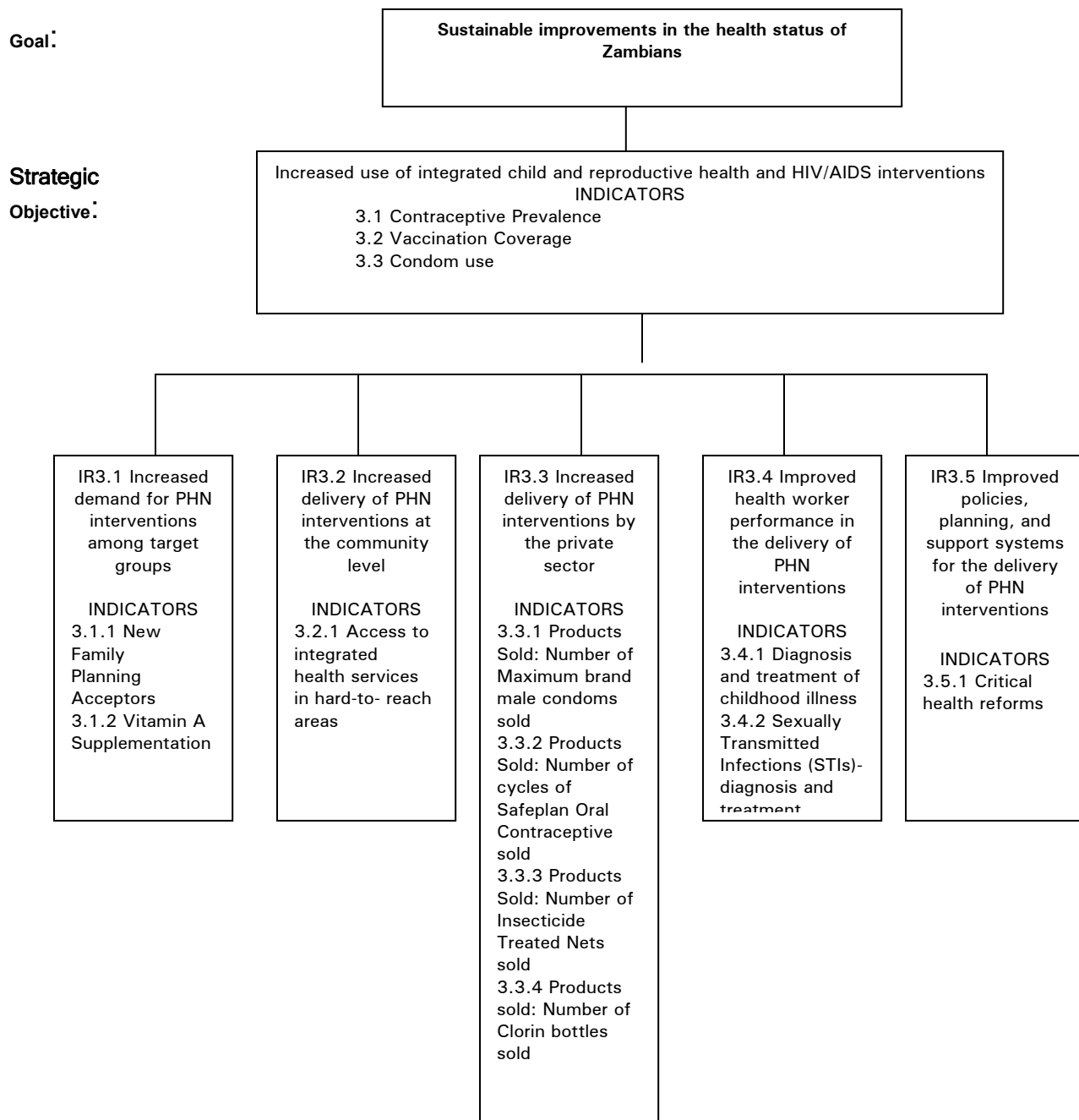
SO-1 RESULTS FRAMEWORK AND PERMANENCE INDICATORS



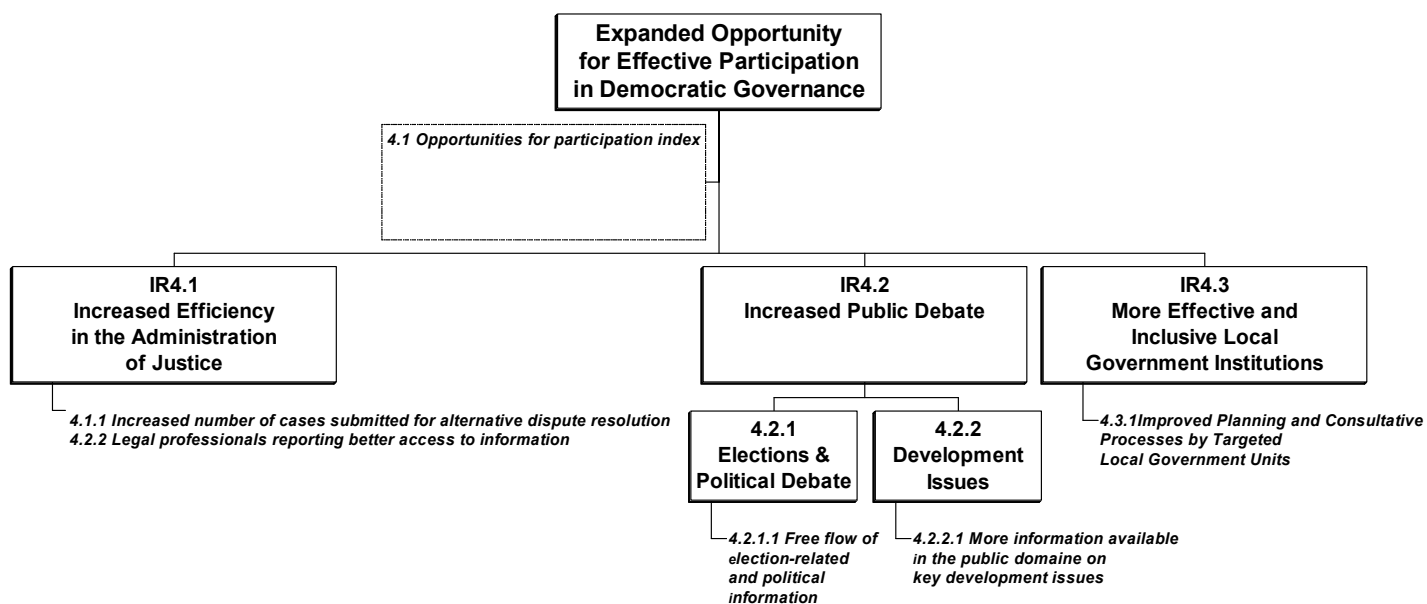
SO-2 RESULTS FRAMEWORK AND PERFORMANCE INDICATORS



SO-3 RESULTS FRAMEWORK AND PERFORMANCE INDICATORS



SO-4 RESULTS FRAMEWORK AND PERFORMANCE INDICATORS



FY2003/2004 RESOURCE REQUEST

Program Resources

FY2003 Alternative Program Resource Request

Rationale and Justification: FY2003 is the Mission's final year of funding for the current Country Strategic Plan (CSP). The control levels for FY 2003 are adequate to carry on its ongoing activities. However, USAID/Zambia in preparation for the new CSP needs to conduct evaluations on some of its current SOs/components of SOs, and carry out analytical studies to design the new strategic objectives. These will build on accomplishments of the current strategy and carry out the mandatory analyses for Gender, Environmental and Conflict Prevention, to prepare the new CSP. Therefore, the Mission requests Global Bureau funding of \$500,000 as given below. Additional resources of \$5.4 million are requested from Initiative Funds, to carry out activities, to complement the ongoing program and/or assist in the commencement of the CSP.

<u>Program Funds ('000s)</u>	<u>\$</u>
SO1: Increased rural incomes of selected groups	6,958
SO2: Improved quality of basic education for more school going children	5,000
SO3: Increased use of integrated child and reproductive health and HIV/AIDS interventions	37,404
SO4: Expanded opportunities for effective participation in democratic governance	923
Total Program Control level	50,285
Additional funding request:	
940-003 Program Development and Learning to carry out analyses and evaluations, and design activities for new SOs	400
941-004 Assess Gender Considerations in Mission Program to integrate gender issues in activity design and performance monitoring	100
Agriculture Initiative	1,000
Trade Initiative	1,000
Education Initiative	2,000
Leland Initiative	250
Anti-Corruption Initiative	750
Public Private Alliances	400
Total Alternative Program Request	<u>56,185</u>

FY2004 Program Resource Request

Rationale and Justification: Experience and performance results from recent years indicate that USAID can make a difference to the people of Zambia with relatively modest levels of funding. FY2004 will mark the commencement of a new USAID strategy in Zambia. It is too premature to give specifics of the proposed strategic objectives and activities since the Mission does not yet have the parameters approved by USAID/Washington within which it is to carryout development of its CSP. Zambia completed its presidential and parliamentary elections in December 2001 and has a new administration to lead and develop the country in the next five years. The Mission's CSP will address Zambia's developmental needs and opportunities, and administration interests through innovative mechanisms, including strategic alliances.

The Mission is presently in the process of preparing its analytical agenda for the new CSP. The program will be funded from DA and CSH sources, and will continue in the strategic areas of Economic Growth, Basic Education, Health and Democracy but will focus on appropriate strategic

directions to improve the quality of life of the Zambian people and reduce poverty. USAID will place great emphasis in furthering its efforts in multisectoral activities to mitigate the crosscutting negative impact of HIV/AIDS. The funding request gives an indication of the required levels which need to be allocated to effectively commence the Mission's programs under the new CSP. The funds will support existing contracts/grants, which will be continued under the new strategy, mobilization costs of partners for new activities, and costs of program management.

<u>Program Funds ('000s)</u>	<u>\$</u>
SO5: Economic Growth Area	8,500
SO6: Basic Education	8,000
SO7: Health (Population 5,500; CSMH 6,500; HIV/AIDS 30,000; and Infectious Diseases 5,000)	47,000
SO8: Democracy	2,500
Total Program Funds Request	<u>66,000</u>

SO5 Economic Growth Objective: The "New Deal" administration in the Government of the Republic of Zambia (GRZ), which came into office in December 2001, has put priority emphasis on economic diversification away from copper with focus on agricultural development. Based on this renewed interest by GRZ, USAID will continue to address policy and regulatory impediments to the growth of rural incomes and employment. This includes support to the enabling environment for trade and investment including rural infrastructure, which affects investments and growth in agriculture, tourism and natural resources management. USAID will pay particular attention to expanding market opportunities for small and medium farmers and rural non-farm enterprises by delivery of technologies and credit linkages to improve farm/firm level competitiveness, business development, natural resources management and enhanced food security. All policies, technologies, training and services promoted under this objective will take into consideration the impact of HIV/AIDS on these productive sectors of the economy.

SO6 Education Objective: By FY2004, the successful pilot interactive radio instruction (IRI) and education management information system (EMIS) education activities will be scaled up and in full operation to work toward national rollout, and adequate monitoring and evaluation to ensure quality education. The effects of HIV/AIDS on the education sector will be mitigated, especially by addressing teacher shortages, alternative learning systems, and teacher/mentor training through the IRI activity. As a delivery system, this activity is likely to be extended to programs for upper basic education, teaching and mentor training, and adult literacy, especially for mothers. The Mission anticipates that at least two major activities will be in place and underway during the first year of the new CSP. The Ministry of Education (MOE) works within the framework of a Sector Wide Approach, with an initial focus on grades 1-7 of basic education. USAID's current support to the MOE is through project funding. The Mission plans to consider some non-project assistance funding, as recommended by the AFR/SD Technical Review Committee for Education, especially to contribute toward the Ministry's expansion of activities that are currently receiving USAID support and increase its program management staff to focus on these partnering responsibilities.

SO7 Health Objective: USAID feels that some sectoral priorities are already clear as there has been extensive analysis in recent years and multi-year plans are available for both the Ministry of Health and other key donors. An overall level of \$47 million is necessary to implement the first year of this objective. The Mission's low pipeline in SO3 over the last several years is an indication of the absorptive capacity of the population, health and nutrition sector. The Mission will forward fund new bilateral partners to the limit possible to avoid the gap of several months between exhaustion of previous year's funds and arrival of new incremental funds. These gaps have been detrimental to program momentum as partners manage a "slow-down then speed-up" scenario each year.

The bulk of FY2004 resources will mainly continue to be from HIV/AIDS. Activities will include scale-up of USAID priority interventions: prevention of maternal-to-child-transmission, voluntary counseling and testing, behavior change, condom social marketing, identification and treatment of sexually transmitted infections, care and support of persons living with HIV/AIDS, and support for orphans and vulnerable children. In Infectious Diseases, the Mission is designated as a "Malaria Plus-Up Country," and will continue to strengthen and expand its activities. Population and Child Survival/Maternal Health activities have been under funded for the past several years. The Mission can handle increases in funds, even in the first year of the new strategy. These earmarks cover a wide range of key interventions for Zambia: family planning, maternal health (including emergency obstetric care and other safe motherhood activities), vitamin A, control of diarrheal diseases, immunization and Integrated Management of Childhood Illnesses. They also encompass important health systems strengthening efforts in policy development, management of drugs, logistics, health planning, management information systems, quality of care and health care financing.

SO8 Democracy and Governance Objective: The year 2002 is witness to Zambia's first multi-party legislature in decades, with the opposition holding just over 50% of Parliamentary seats, and much to be learned from the ruling party and the opposition. New activities will address Zambia's struggle with corruption by strengthening institutional reforms and accountability in good governance, strengthen parliament as an effective democratic institution, and improve the political process through resolution of civil society relations and parliament. Legal reform will continue to be fundamental to sustainable democratic evolution, including constitutional reform to redress exaggerated powers in the office of the presidency. Small grants to encourage public debate on development and political process issues, sponsor public opinion surveys and opinion survey capacity building, improve local media reporting capacity, debate among think tanks and associations on public policy topics such as HIV/AIDS, poverty alleviation, the impact of corruption, legal reform, or the rights of women will continue. Finally, the role of local government citizens and civil society will be further developed to ensure progress.

Pipeline Analysis: As of September 30, 2001, USAID's active pipeline was \$43.0 million. Historically slow disbursement rates for SO2 and SO4 have accelerated from this year as contractors are now mobilized and in full strength. Total program expenditures for FY2002 and FY2003 are expected to be around \$48.6 million and \$53.9 million respectively. The FY2003 year-end pipeline of around \$33.6 million (of the current SOs) after obligating FY2003 funds will be fully utilized by September 30, 2004. Given the delays in receiving funds in a fiscal year and the implementation of the new strategy, USAID needs the flexibility to take optimum advantage of the critical opportunities that may arise under the SOs. Additional resources will be requested in FY2003 if the Mission receives early approval of its new strategy. In FY2004, funds will be obligated to the new SOs. The Mission also intends to have the operating mechanisms for new SOs in place to which funds will be committed in FY2004. Expenditures of these SOs are expected to be around \$19.9 million. The resulting pipeline of the new SOs will be \$46.1million with around 9 months of forward funding.

Operating Expenses (OE) and Workforce Resources Request

Rationale and Justification: The Mission program level is more than doubling during the period 1998 to 2003, and the coverage of some Mission activities has already extended nationwide. During FY2001 the Mission implemented a long-overdue revised Local Compensation Plan (LCP) with an average of 111% increase in salaries to remain competitive as an employer.

Instead of reducing or straight-lining OE levels, the bureau needs to recognize and make appropriate revisions to USAID/Zambia's target levels to enable the Mission to meet the minimal discretionary

costs needed to effectively carryout the significantly increasing program operations and management responsibilities. The Mission OE allocation for FY2002 was at its lowest level in five years and despite having the fifth largest FY2003 program level in the Bureau, the Mission OE allocation is the ninth lowest, the equivalent to programs at the \$14 - \$18 million level.

The Mission has met the FY2003 and FY2004 target levels at the expense of reduced budget levels in critical areas such as major procurements, training and headquarters' travel, which will be especially hard-felt during a year of new CSP development. These continuing austerity measures are not efficient and sustainable, and will seriously impair the Mission's ability to responsibly manage the USAID program. Highlighted below are some of the areas of major reduction and the minimum request levels to operate effectively. The exchange rates used for FY2003 and FY2004 are US\$1:ZMK 3,700 and US\$1:ZMK 4,000 respectively.

FY2003 Operating Expenses Request (in '000s): Target: \$2,465 Request: \$ 2,865
Trust Funds: \$ 200

FSN PSC SALARIES: Target: \$894 Request: \$927
No increase to the LCP is included in the target level. After a major FSN pay increase in FY2001 the rates may still be competitive and foregoing an increase in FY2003 may be acceptable. The target and request amounts include \$200,000 of trust funds.

TRAINING and RELATED TRAVEL: Target: \$93 Request: \$115
To meet the FY2003 target, no provision is made for training where course fees are payable. Austerity measures in recent fiscal years, coupled with the serious attrition caused by HIV/AIDS, have created a training deficit on staff, which has been noted by the Management Control Review Committee as a material weakness in FY2001. Although steps taken in FY2002 will address the material nature, they will not completely eliminate the weakness. To this end, the budget for other training travel is retained because further cuts would negatively impact the program.

SITE VISITS – HEADQUARTERS PERSONNEL: Target: \$0 Request: \$23
The Mission will be developing the new CSP and will need assistance of Headquarters personnel.

VEHICLES (including transport): Target: \$157 Request: \$203
To meet the Mission's target FY2002 level, all vehicle purchases were deferred to FY2003. The Mission has not procured any replacement vehicles since the two vehicles purchased in FY1999 and the majority of the Mission's OE vehicle fleet is at or past replacement age.

FY2004 Operating Expenses Request (in '000s): Target: \$2,465 Request: \$3,070

FSN PSC SALARIES: Target: \$982 Request: \$982
The Mission is estimating a 20% increase to allow for retention of staff.

SITE VISITS - HEADQUARTERS PERSONNEL: Target: \$0 Request: \$15
The Mission will have to struggle through a major USDH staff transition period (3 USDH including EXO and Controller) without the safety net of assistance from USAID/W. The Mission will also not have funding to access AID/W Bureau staff for activity design under our new strategy.

SITE VISITS – MISSION PERSONNEL: Target: \$10 Request: \$20
The requested level is needed to ensure USDH and Program Office staff are able to make sufficient visits for effective monitoring and evaluation, and closeout activities.

TRAINING (all categories):	Target: \$0	Request: \$26
TRAVEL FOR OTHER TRAINING:	Target: \$41	Request: \$100
CONFERENCES/SEMINARS/ETC:	Target: \$25	Request: \$53

By totally eliminating training fees, the Mission is limited to USAID-sponsored courses, which will be harder to find and obtain spaces in as OE throughout the Bureaus gets reduced.

OFFICE FURNITURE & EQUIPMENT:	Target: \$0	Request: \$20
RESIDENTIAL FURNITURE & EQUIPEMENT:	Target: \$40	Request: \$80
TRANSPORTATION FOR FURN & EQUIP (both):	Target: \$10	Request: \$62

With three USDH staff transitions in FY2005 the Mission needs to initiate the procurements in early FY2004 because turnaround time from ordering residential furniture and equipment to receipt at post is at least 12 months.

RENTAL PAYMENTS - WAREHOUSE:	Target: \$20	Request \$30
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The warehouse rental will continue to be split-funded with program funds, but this may become problematic in the FY2004 as the SOs complete disposal of old project items.

MANPOWER CONTRACTS (all):	Target: \$7	Request: \$23
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The Mission needs to prepare three residences for the new occupants. Reduced target level will also affect the hire of temporary personnel.

SUPPLIES AND MATERIALS (all):	Target: \$63	Request: \$105
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Stocks need to be replenished, especially since deferred major procurements will cause stocks of spares and parts to deplete at a faster rate.

VEHICLES:	Target: \$0	Request: \$135
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These procurements were scaled back in FY2003 to meet target levels. The Mission will again have to eliminate them from the FY2004 budget to meet the OE target level. At present, the majority of the Mission's OE vehicle fleet is at or past replacement age.

IT HARDWARE:	Target: \$0	Request: \$75
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PRINTING EQUIPMENT:	Target: \$0	Request: \$10
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The target level forces the Mission to eliminate much needed IT and printing equipment purchases. However, as the Agency moves toward more integrated systems the Mission will be mandated to make these purchases.

Trust Funds: The Mission signed a non-project assistance agreement with the GRZ in 1998. The agreement allows a percentage of the cash disbursement to the GRZ to be deposited into the Mission's Trust Fund. The OE budget does not include any trust fund expenditures in FY2004 due to uncertainty in the receipt of these funds during the fiscal year.

Workforce Level: The Mission deleted one USDH position in FY 2001, as mandated by USAID/W and is managing with the absolute minimum of 7 USDHs, 1 USPSC, 3 TCNs and 73 FSNs. SO2 started in FY2000 with lean staffing as there was a small effort in education to ascertain the need and the abilities of USAID to work with the GRZ in this sector. SO2 has now developed into a full-scale program with multiple implementing mechanisms including five long-term contracts and grants. There is urgent need to increase implementation and monitoring support to the program with additional professional staff. Therefore in FY2003, SO2 will expand its staff by one program funded professional FSNPSC.

ENVIRONMENTAL COMPLIANCE

Component 1. Plan for new or amended Initial Environmental Examination (IEE) or Environmental Assessments (EA) actions for coming year. Planned Reg. 216 actions are listed in FY 2002 column in the table below. The Mission plans to submit to Bureau Environmental Officer (BEO) SO1 IEE amendment for approval in March 2002. Once the Insecticide Treated Net (ITN) Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) is approved, there might be a need to amend the SO3 IEE. Request for REDSO or Bureau assistance will be submitted. A new Country Strategy Plan starts in FY 2004. Therefore Environmental Threat and Opportunities Analysis is expected to be carried out in late 2002 – early 2003, including Foreign Assistance Act (FAA) section 117 – 119; Tropical Forestry and Biodiversity Analysis.

Component 2. Compliance with previously approved IEEs or EAs. Most Mission activities comply with their corresponding approved IEEs, as reflected in the “FY 2001 and previous” columns of the table on the following page.

USAID/Zambia Environmental Review status plans and schedule. Last updated: February, 2002.

Assistance Activities	FY 2001 and Previous	FY 2002	Comments
<p>SO 1 Increased Rural Incomes</p> <p>Strategic Objective level IEE amendment for all activities. IEE signed by Bureau Environmental Officer (BEO) on 8/4/99: 29zamb2-iee.</p> <p>Amended IEE in preparation for: IR 1.1 sustainable increases in agricultural and natural resources production. IR 1.2 Increased productivity of Rural Non-farm enterprises IR 1.3 Reduced constraints to private growth</p>	<p>Environmental Reviews and PERSUAP recommendations conducted for projects that engaged in use of pesticides.</p> <p>Categorical Exclusion with conditions recommended for ZATAC, CMS, ZCSMBA, and IESC and Privatization Support project (PSP). Negative Determination with conditions recommended for CLUSA RGB, WVI IAP, CARE LFSP, and CLUSA NRM.</p> <p>All activities in compliance with approved IEE except CLUSA RGB, and CLUSA NRM, due to the introduction of high value crops in the cropping system, which requires use of pesticides.</p>	<p>SOAG IEE amendment to include PERSUAP and new activities will be submitted to REO and BEO for approval o/a March 2002.</p> <p>The SO1 PERSUAP will be submitted to BEO o/a March 2002.</p>	<p>USAID/Zambia/SO1 Categorical Exclusion status will be monitored to ensure that the activities undertaken are within the realm of Categorical Exclusion conditions e.g. awareness, promotion, training in and /or capacity building in international environment standards etc, will be integral to promoting agricultural and natural resources-based exports and international trade.</p> <p>USAID/Zambia/SO1 ensures that projects conduct the environmental screening and monitors the implementation of mitigation requirements.</p> <p>Implementation of the PERSUAP recommendations will be closely monitored.</p>
<p>SO 2 Equitable access to Basic Education</p> <p>SO level / SOAG IEE for all activities. IEE signed by BEO on 10/25/99. 29zam SO2 iee.</p>	<p>All activities comply with the approved IEE.</p>	<p>Results for water quality are expected from UNICEF by June 2002, which received support from USAID for drilling of boreholes and construction of pit latrines.</p>	<p>USAID/Zambia/SO2 to continue monitoring the negative determination with conditions recommended for the construction of boreholes and latrines as specified in section 4 and Annex of the IEE.</p>

<p>SO 3 Increased use of child and reproductive health and HIV intervention</p> <p>SO –level / SOAG IEE for all activities. IEE signed by BEO on 3/3/99, 29zamb1 - iee</p>	<p>SOAG IEE amended to introduce all ITN activities proposed by the Grantee, which are recommended for deferral under the current IEE.</p> <p>Deferral recommended ITNs.</p>	<p>Amended IEE to be submitted to BEO once the ITNs PERSUAP is completed by April 2002.</p>	<p>USAID/Zambia/SO3 to monitor the negative determination recommended for STI and HIV case management and testing activities in accordance with the SOAG IEE recommendations.</p> <p>USAID/Zambia/SO3 will monitor compliance with the ITN PERSUAP by the grantees once approved.</p>
<p>SO 4 Expanded participation in Democratic Governance</p> <p>SO –level: SO4 has three IRs and all of them operate under the same IEE. For all activities, the provisions of ADS 204 apply. IEE signed by BEO on 8/4/99 with categorical exclusion 29zamb3 – iee.</p>	<p>No action anticipated.</p>	<p>No action anticipated.</p>	<p>USAID/Zambia/SO4 to continue monitoring inclusion of new activities that will require amendment of this IEE.</p>

SUCCESS STORIES ANNEX

SO1 SUCCESS STORIES

SUCCESS STORY 1

EVERYONE CALLS HIM BROTHER WILLY

Implementing Partner: Zambia Chamber of Small And Medium Business Associations (ZCSMBA)

Brother Willy is a household name in Petauke. Born in Zambia in 1961, Wilson Phiri a 41 year-old entrepreneur, made up his mind at an early age to rise above poverty and distinguish himself in business. By mid 1993 Willy had become a respected businessman in Petauke and owned a garage. He was introduced to the USAID Human Resources Development Project, (which was the genesis of the Zambia Chamber of Small and Medium Business Associations (ZCSMBA), in 1994, and participated in a workshop on Business Management and Basic Finance. Over the next 7 years Willy attended further 11 courses and expanded his businesses to include a motel and a grinding mill. During this time he founded the Petauke Association of Small and Medium Entrepreneurs (PASME). PASME is, in 2001, the largest member of the ZCSMBA with a membership of 1,120 small and medium entrepreneurs (SMEs).

Brother Willy said after the first course he attended in 1994 “this course was like a mirror to me, it opened my mind to the business world and ever since then I have not looked back.” His profits have risen by 75% since he has been taught how to manage his businesses. He currently employs 32 people making him one of, if not the largest, SME employers in Petauke.

The USAID funded ZCSMBA, with District Business Associations in all 9 provinces of Zambia, provides a comprehensive range of business development services to rural non-farm enterprises and uses PASME as an example of what a District Business Association can achieve by working with small businesses and providing them with fee-based business development services.

SUCCESS STORY 2

SASI INVESTMENTS: LIGHT AT THE END OF A TUNNEL

Implementing Partner: International Executive Services Corp (IESC)

“My name is Mr. Simachembele and I live in Livingstone. I own a company called SASI Investments that includes a restaurant, shop and bar. In 2001 my company was facing closure due to debts, including one to the electricity company that threatened to shut off power to my businesses. I met with Betty Herriman an International Executive Services Corps (IESC) volunteer who was working with the Livingstone District Business Association, to which I belong. Betty sat with me and we made a plan to negotiate payment terms with the power company; therefore, taking away the worst of my problems – no electricity in my businesses. The power company accepted terms for repayment and I have now paid off over 75% of my debt, thanks to Betty having helped me put together a solid plan for repayment of debts. She also helped me with the development of a larger product range for my shop. I have recently taken out a contract for my shop to be a sub-post office. This brings in a bit of extra cash and attracts more people to the shop. This time last year I was in despair, now, thanks to Betty and IESC, my business is working well, I operate on a cash basis and I can hold my head high”.

IESC is a U.S. based NGO working with a skills bank of retired volunteer executives who offer their services at no salary to work with companies around the world. IESC currently has a USAID-funded

program in Zambia providing hands-on technical assistance, a linkages component and training workshops to Rural Non-Farm Enterprises.

SUCCESS STORY 3

KALONGO WOMEN'S CLUB

Implementing Partner: Credit Management Services Zambia (CMS)

"My name is Judith Nakamba and I am a member of Chikolongo Womens's Club in Chibombo District of the Central Province. This club was formed in 1988 and had initially 10 members. The club was primarily formed to promote home craft activities, such as knitting and cookery, as well as home economics among the women folk in Chibombo.

Due to insufficient funds the group decided to seek financial assistance from Credit Management Services Limited a microfinance company in Kabwe. Fortunately our request was responded to favorably and we received first loans amounting to \$50 each which we invested in poultry and salaula (second hand clothes) businesses. The loans were paid in full in 4 months and we obtained subsequent loans of \$100 each. The money was further invested in poultry; maize trading and salaula businesses and repayments were again made in full within a period of 6 months.

Currently we are in our fourth loan cycle, in which we obtained \$200 each and invested in the same businesses in which we have acquired vast experience. We are again looking forward to paying these loans in full sooner rather than later and to obtain much bigger loans in the next cycle.

On behalf of the club I would like to give a testimony on how I have benefited from the CMS loan scheme. First and foremost I was widowed in 1998 shortly after receiving my second loan of \$100. The death of my husband left me devastated and all my plans and dreams were shattered and I contemplated withdrawing from both the group and the program. Fortunately, my fellow club members as well as the Credit Officer from CMS consoled me and gave me words of encouragement to continue with the program.

I was further advised that this program also had room for widows like me. These words of encouragement gave me strength and I resolved to go forward and continued my activities in the club as well as in the program. I invested the \$100 loan in poultry and I reared 200 chickens successfully up to the point of sale. After the sale of these chickens I raised sufficient money from which I paid my loan in full and used part of it to buy uniforms for my 5 school going children, food and paid school fees. I have continued with this business of chicken rearing and it has become the source of income for my family from the time my husband died. I am able to feed my family and take my children to school and at the same time pay back my loans to CMS on time and in full."

Compiled by JUDITH NAKAMBA.

Credit Management Services is a USAID-funded microfinance institution operating in the rural areas of Zambia.

SUCCESS STORY 4

USAID'S MULTISECTORAL APPROACH TO HIV/AIDS ASSISTS WIDOWS AND ORPHANS OVERCOME FOOD SECURITY:

Implementing Partner: CLUSA Rural Group Business Program (RGBP)

Mary Kombe, a member of the Zambia Orphans and Widows Association (ZOWA) remarked, "CLUSA has given us a life again. Whereas this deadly disease HIV/AIDS has taken our beloved ones, we have been given the farming and business skills to increase our yields and to market our produce. We do not have husbands or fathers to lean on, but CLUSA has given us relevant production and business skills. We also appreciate the HIV/AIDS awareness programs which teach us how to look after ourselves in the face of HIV/AIDS."

Mary Kombe statement was made in relation to CLUSA Rural Group Business Program (RGBP), which started working with groups in the Ndola rural district of the Copperbelt Province in 1999. The locality experienced a high loss of spouses/parents through the death caused mainly by HIV/AIDS. Concerned with the situation, CLUSA contacted ZOWA, which started operating in Ndola Rural in 1985.

The Association had in the past tried to implement a number of different development activities on its own, but had limited success and food security was still a major problem for the many of ZOWA members. Due to the death of bread winners, food insecurity and lack of income opportunities were the major issues facing ZOWA members. In order to overcome these problems, ZOWA's most important intervention has been aimed at increasing household food security. To enable ZOWA achieve its objectives, CLUSA, an agricultural NGO started teaching widows and orphans labor-saving conservation farming as a technology for increasing yields. Farmers are organized in groups, taught conservation farming, entrepreneurial and marketing skills and are provided production loans. In addition, the program initiated interventions on HIV/AIDS awareness, prevention, care and support with the groups in response to USAID Mission's Multisectoral approach to address the effects of HIV/AIDS.

CLUSA started working with ZOWA 's 350 widows and orphans in late 1999. By 2001, the number of widows, widowers and orphans in the district has risen to 400. ZOWA's objectives include, empowering widows in decision-making, leadership and entrepreneurial skills.

Following the receipt of input loans for the 2001 farming year, ZOWA members cultivated 1,050 hectares of maize, paprika and soya beans. After marketing, members repaid their input loans using the cash earned from paprika and soya beans while leaving them with enough maize for their consumption.

SUCCESS STORY 5

NOW WE CAN SELL OUR MILK, ZATAC, HAS BROUGHT US THE MARKET:

Implementing Partner: Zambia Agribusiness Technical Assistance Center

Addressing residents of the small border town of Kazungula and many outside well wishers, in October 2001, to mark the launch of the Kazungula Milk Collection Center, Chairman of the Kazungula Cooperative Society, Mr. Albert Mulele, said: " good ideas have come and gone but this idea will live on. ZATAC has empowered our community with a lifetime project. Today, the milk station has purchased 500 liters of fresh milk from the community and it will remain fresh in the cooling tank until FINTA Dairy Ltd come to collect it. Since time immemorial our milk used to

become sour before reaching the market in the tourist capital of Livingstone, which is 70 kilometers away. Today, by finding partners for us, helping us to build this milk collection center with its cooling facilities and getting FINTA Dairy Company to work with us, ZATAC has brought the market to us. Through milk sales to FINTA, we now have an extra income that was denied us all this time. Our quality of life is changing and we now confidently look forward to supporting our children to attend school using money realized from milk sales. The station will help us to reduce illiteracy levels and to eradicate poverty altogether. This milk station is a dream come true for all the people of Kazungula."

The occasion was witnessed by several thousands of people, including the traditional head of the South Western Toka Leya, Chief Sikute, and representatives of the Zambian Government, US Embassy, USAID, CARE international, International Executive Services Corps (IESC), Finta Danish Dairies and others.

The Kazungula milk project was developed by USAID's Zambia Agribusiness Technical Assistance Center (ZATAC) in its mandate to broaden markets for smallholder producers. ZATAC developed the linkages between the milk producers and the dairy processor, FINTA. In addition, ZATAC leveraged funding from JICA to finance the cooling tank. The milk collection center has a 2,400 liter cooling tank that enables milk to remain fresh for at least 3 days while awaiting pick up by the agribusiness milk processor Finta Dairy Ltd.

SO2 SUCCESS STORIES

SUCCESS STORY 6

PARTNERSHIPS FOR BASIC EDUCATION THROUGH INTERACTIVE RADIO

Implementing Partner: Education Development Center (EDC)

For years, Father Thadeusz worried about the many children in his parish who were not attending school. By 2000, he had set himself a challenge: Within the next seven years, his largely uneducated population of parishioners in Chikuni Parish would be able to read and write. Chikuni Parish is located in the mostly rural district of Monze in Zambia's Southern Province. One community, Cheelo, is a typical Parish where people are extremely poor and government schools are too scattered and too few. Like others in the parish, the Cheelo community has a dream to educate its children, but has few means to do so.

In an effort to provide education for vulnerable, out-of-school children, USAID decided to support a modest proposal from the Ministry of Education (MOE) and its implementing partner, Education Development Center, to develop and pilot test interactive radio instruction (IRI) for Grade One pupils in a few communities of Lusaka Province. In spite of his healthy skepticism that such a program could work, Father Thadeusz saw the USAID-funded IRI program as a possible way to address the challenges to education in his parish. He approached the MOE's IRI program director, Mrs. Faustina Sinyangwe, with the idea of allowing his parish to be a pilot test site. She agreed and Father Thadeusz began mobilizing two communities to set up IRI centers, making a personal commitment to provide them with his full support.

Father Thadeusz had an additional tool in his parish's education kit – the Catholic Church's Chikuni Community Radio (CCR) station. Father Thadeusz asked Mrs. Sinyangwe for tapes of the IRI lessons to re-broadcast on CCR as the signal from ZNBC could not be clearly picked up on radios in parts of Monze and the tapes could be aired at times most convenient for the local population.

As a result of the 2000 pilot test's success, Chikuni Parish increased its number of communities with IRI centers in 2001. Communities formed additional centers, finding radios, collecting simple teaching materials, mobilizing pupils and volunteer mentors and, in some cases, providing mentors with in-kind compensation such as tending their crops or providing them with food. The partnerships to support IRI continued to increase and flourish. USAID provided additional support to the MOE for the development of Grades Two through Four lessons and to encourage an EBS/EDC/Peace Corps partnership to facilitate IRI work in the field. The MOE encouraged their district education officers to support local IRI centers through site visits and advice. Fr Thadeusz tapped into the Catholic Church's Development Education Program (DEP) to provide community development workers to help communities plan for IRI. The MOE's District Inspector of Schools (DIS) and Fr Thadeusz formed a close working relationship, to provide mentors with guidance during center visits, monthly in-service meetings, and a more intense, weeklong training – in addition to MOE mentor training. As of 2001, 19 communities in the parish had formed IRI centers, providing 640 children with access to basic education.

In 2001 at the end of Grade One IRI broadcasts, the Chikuni Community Radio Station organized an "It's Academic!" radio quiz show for teams of Grade One competitors from all IRI centers as well as some local government schools. Trained teachers developed the questions, based on the Grade One curriculum. Unexpectedly, the government schools were eliminated early in the quiz while the IRI teams continued to answer the questions correctly. After adding more difficult questions to the quiz, CCR was finally able to declare a winner, which was the team of girls and boys from Cheelo

IRI Center, proof positive that IRI is helping communities achieve their dreams of education for their children.

SUCCESS STORY 7

LOCAL CHALLENGES AND LOCAL SOLUTIONS TO EDUCATION THROUGH IRI

Implementing Partner: Education Development Center (EDC)

“Learning at Taonga Market” is the name of the MOE’s interactive radio instruction (IRI) program that has been developed and implemented with USAID-support. Garden Compound community became one of the sites for an IRI center as part of the MOE’s pilot program in July 2000. The Garden IRI Center’s mentor, Mr. Mvula, originally taught his pupils in a building provided by a local NGO, Hope for Africa. The Headmistress of the near-by Ngwelele Primary Government School heard about Mr. Mvula’s efforts and visited his center as the children learned from the “Taonga Market” lessons. She was very supportive of his efforts.

Unfortunately, after a few months, Hope for Africa suddenly closed its doors as a venue for the Garden IRI Center, forcing Mr. Mvula to look for a new venue for his classes. Although he had the moral support of the families of the 100+ children in his center, those families could not provide monetary or in-kind support to him.

When the primary school Headmistress heard that the children of Mr. Mvula’s center were squeezing into a tiny shelter behind a house in the local market, she offered him some space on her school grounds, even though her own classrooms were filled to capacity. Since that time, the children have been learning from the center within the school’s compound, under a tree. During school holidays, they are able to use an empty classroom.

Eventually, Mr. Mvula realized that 100 children were far too many to teach on his own. Also, the children were walking long distances from other compounds to attend his IRI center, the only one in the area. He met Ms. Phiri, a woman who volunteered to teach some of his children in the neighboring Chaisa Compound. He invited Ms. Phiri to observe his classes until she felt comfortable enough to try facilitating lessons on her own. Under Mr. Mvula’s guidance, training and encouragement, Ms. Phiri opened a second center in the neighboring Chaisa market, which they have named Garden 2.

Currently, Mr. Mvula is seeking to form a Mentors’ Organization with three other mentors from Lusaka. They want to support each other in fund raising as well as in teaching and expanding the reach of their IRI programs.

SO3 SUCCESS STORIES

SUCCESS STORY 8

IMPROVING MATERNAL HEALTH THROUGH IMPROVED DELIVERY PRACTICES

Implementing Partner: Maternal and Neonatal Health Program

Lazoarous and Evelyn Chanda are a young couple who were recently blessed with a lovely baby boy named Joshua Mutale. Joshua was born at the University Teaching Hospital (UTH) in October 2001, in the presence of his grandmother, who was allowed to attend the delivery. The family was ecstatic, as they had lost twins boys during a previous delivery. Evelyn's mother was very apprehensive at the start of the labor, *"When I took Evelyn to the hospital, we were worried as she had had a nasty experience there last May when she lost the last pregnancy."* Evelyn's mother said the midwifery care had been really bad the first time--Evelyn was left alone to deliver and the labor took a long time, resulting in the loss of the twins.

Following studies that revealed similar complaints by many clients, USAID's Maternal and Neonatal Health Program (MNH) began an initiative to build skills and knowledge of health care providers. MNH is providing technical assistance to the General Nursing Council of Zambia (GNC) to strengthen pre-service nursing education in essential maternal and neonatal care. Through this program, the registered midwifery curriculum has been revised, and a package of teaching materials developed, to introduce new evidence-based better practices. These include allowing women to deliver in different positions, and allowing them to have a friend or relative present for social support during labor and delivery. Both of these simple, no cost, interventions have been shown to facilitate labor and reduce complications.

It is not surprising that Lazoarous and Evelyn Chanda are very happy after the successful delivery of Joshua Mutale. In Evelyn's own words, *"I was treated very nicely; the midwives were wonderful and the new position I delivered in made my labor so much easier. I delivered within two hours of arriving in UTH after being in labor for four hours."* Her mother adds, *"With this delivery I was allowed to sit with my daughter throughout the whole period. When the nurses said I could sit by the bedside of my daughter I was a little apprehensive at first and only felt reassured when they introduced themselves and I saw how they looked after my daughter."*

The MNH program worked with the GNC to train a core team of health providers who have been training other teaching and clinical faculty in the best practices in essential maternal and neonatal care.

The staff members who have been trained have also appreciated the chance to learn new skills and practice them with coaching from the trainers. They have seen that these better practices make a difference in facilitating labor and reducing complications. As one midwife stated, *"Since I had my knowledge and skills updated by the MNH program, I feel more confident in managing women in labor. Also the new best practices of the different positions in labor have reduced the time women spend in labor and the complications that women have."*

SUCCESS STORY 9

COMMUNITY MOBILIZATION AGAINST MALARIA

Implementing Partner: World Vision & The Zambia Integrated Health Program

Worried faces surrounded Mrs. Mwalusi as she sat with her feverish 18-month-old baby in her arms. Little Agnes was beginning to have convulsions. Mrs. Mwalusi decided to take the child to ZamTan Clinic. There, the clinical officer tested her blood and found a high level of malaria parasites. Agnes was referred to Kitwe Central Hospital. With no ambulance service, Mrs. Mwalusi spent almost two hours on the road before finding someone who would take her and her baby to the hospital. Once there, the child was again screened and tested with the same results. Agnes was immediately admitted and two hours after treatment, she was able to nurse from her mother's breasts. When Mrs. Mwalusi's neighbors saw the mother and child return two days later, they could not believe their eyes. They never thought that little Agnes would survive.

Mrs. Mwalusi remembered what the Malaria Task Force agents in her area had taught the community about malaria prevention. She rushed to see a Task Force agent and bought an insecticide-treated bednet for the family to sleep under. She realized that the cost of the net, about \$3, was nothing compared to the cost of her child's life. Mrs. Mwalusi was so convinced about the importance of protecting her family from mosquitos carrying malaria that she began educating her neighbors and relatives about using insecticide-treated bednets. Ten of them bought nets, helping the community reduce the incidence of malaria. Most importantly, little Agnes has not had a bout of malaria since she started sleeping under a treated net about seven months ago.

The Malaria Reduction Project, implemented by World Vision with support from USAID's Zambia Integrated Health Program, began in November 2000. The project works in four areas of Kitwe, and targets pregnant women and children under 5. Malaria is rampant in the district. One study revealed that 80% of pregnant women had malaria and data from the national health management information system showed that during the first nine months of 2001, 27% of the deaths among children under 5 years in the district were due to malaria. World Vision is addressing this problem through the creation of a community-driven Malaria Task Force which assists in community sensitization, prevention education, sale of treated bednets, and provision of iron supplementation to expectant mothers (to combat malaria-caused anemia). Use of prophylactic malaria treatment by expectant mothers is also being encouraged.

Mrs. Mwalusi's unyielding determination to seek care and also to invest \$3 (the equivalent of three days income for many Zambian households) to buy an insecticide-treated bednet for her family is now paying off. She has powerfully demonstrated that personal action backed by technically sound and accessible health technology is the key towards assuring the survival of Agnes and other children.

SUCCESS STORY 10

INVOLVING PEOPLE LIVING WITH HIV/AIDS

Implementing Partner: International HIV/AIDS Alliance & The Zambian Integrated Health Program

"It is now time to take people living with HIV/AIDS seriously. There are many organizations working on HIV/AIDS but they have never involved us in their activities – if they involve us we can achieve a lot of things, we can contribute positively - if they involve us."

Three years ago Mathew Miti, 22, was diagnosed with tuberculosis (TB). People ridiculed him, assuming that having TB meant he was HIV positive. Mathew's response was, *"To prove them wrong I decided to have an HIV test."* He felt confident that he didn't have HIV because he had had few sexual partners. He went for voluntary HIV counseling and testing at the USAID-supported Kara Counseling center. After a week, he went back to get his result - it was positive. After sobbing, he remembers the counselor telling him that it was not the end of life but the beginning of one. He went home, told nobody, avoided friends and felt depressed and suicidal.

Three months later, and after recovering from TB, Mathew returned to his counselor. He wanted to make an awareness-raising movie targeting young people for HIV prevention. He believed he was dying soon and wanted to do something to be remembered by. He was referred to Kara Counseling's Hope House where he was invited to join the training program for "positive living" and was encouraged to participate in community outreach activities.

Through the Kara program, Mathew soon connected with the Network of Zambian People Living with HIV/AIDS (NZP+) also supported by USAID. He was invited to join the Lusaka Provincial Chapter where he quickly became very active. As an NZP+ representative, Mathew 'went public' with his HIV status early on when he agreed to be involved in two high profile media programs. The first was an MTV program on HIV/AIDS in Africa, and the second was when he revealed his HIV status on a World AIDS Day television program on Youth. The latter event revealed his status to his family and to everyone else that knew him or would come to know him. *"At this time my father said to me that he had not known I could be so brave and that I had taken a very big step. He said that I would need to be very strong to take the response from other people – he was right, it was very difficult."*

Through his work with NZP+, Mathew has provided important input and support to a wide range of activities including: developing a national HIV prevention mass media campaign targeting young people, participating in human rights advocacy for people living with HIV/AIDS (PLHA), advising on appropriate educational messages on HIV/AIDS, and designing services for HIV Voluntary Counseling and Testing.

USAID/Zambia and its implementing partners have learned from Mathew and others that involving People Living With HIV/AIDS in the response to the epidemic is a critical component of an expanded and more effective response. Mathew feels that People Living with HIV/AIDS are well placed to deliver messages on HIV/AIDS to communities and encourage others to know their status and change risk behaviors. He feels strongly that although PLHA have a role to play in being the 'human face of AIDS' it should not stop there – he feels they must be asked for more, to be involved in the whole program. *"Often programs are planning for people living with HIV/AIDS but they are not asking us what we want – we don't want things planned for us. We want to be part and parcel of that planning meeting – for me it is then that I feel I am doing something good"*

For the Person Living with HIV/AIDS, being actively involved in responding to the epidemic can be a confidence building, learning and rewarding experience. As Mathew says, *"I have learned a lot through attending trainings and by participating in activities and meetings. When I am called for a meeting I feel very good. I feel proud and I want to go and contribute my voice and my experience."* Truthfully, sometimes I feel tears of joy coming; many people now have responded and come to me for help and advice. *I feel that if I die today I have done something good."*

SO4 SUCCESS STORIES

SUCCESS STORY 11

LEGAL ARBITRATION

Zambia, like many developing countries, endures a painfully slow court system. Not only do individual litigants pay the price, businesses and the investment climate also suffer, in turn costing jobs in Zambia's poverty-driven climate. A 1999 investor roadmap study in Zambia established that the lack of impartial and quick legal means to resolve commercial disputes was bad for business. Arbitration is one ADR tool (alternative dispute resolution) which gives a fast option to court litigation. USAID Zambia in partnership with the Law Association of Zambia (LAZ, the Zambian Bar) has been promoting arbitration, -- building a conducive institutional and legal environment so arbitration can take root. USAID has two objectives: to ensure that investment is promoted by creating arbitration as an option, and promoting more efficient administration of justice by helping reduce court case backlog. This case illustrates how the program has succeeded in demonstrating to the business community the value of utilizing arbitration in resolving commercial disputes. Many business concerns can ill afford protracted disputes involving large sums of money. Litigation before the courts can take anywhere between 2 to 4 years especially if there are appeals to the Supreme Court. The USAID/LAZ arbitration program encourages businesses to incorporate arbitration clauses in their contracts, so that in the event of a dispute it will be resolved by competent trained arbitrators. In the past, however, if businesses incorporated arbitration clauses in their contracts there were no qualified persons to resolve the dispute which invariably wound up in court.

The Telecel(Z) Limited V ZAMTEL \$11 million case was successfully resolved through arbitration in seven months. The dispute arose between Telecel, one of two private sector mobile phone service providers, and ZAMTEL, the large parastatal telecommunications company in Zambia. Communications on which the new economy depends was negatively affected due to the interpretation of the clause relating to reciprocal levying. The agreement however contained a clause for arbitration by a panel appointed by the Communications Authority.

The May 1999 dispute was referred to the Communications Authority for arbitration on December 2000. The Communications Authority appointed an arbitration panel in April 2001. The amount in dispute was \$11.2 million, comprising Telecel's claim of \$10.35 million and ZAMTEL's claim of \$772,291. The Arbitration proceedings commenced on May 2001 culminating in a final award in November 2001.

Geoffrey Simukoko, a lawyer with an MBA and a former CEO of a parastatal building society, chaired the panel, which also comprised an electronics engineer who is also an academic at the University of Zambia. A third member was a government lawyer of many years standing who has recently been appointed a judge. All were trained by the USAID program. Geoffrey indicated that this blend of skills and expertise was only possible through the arbitration process which allows disputants to retain persons with pertinent skills and experience resolve technical disputes resulting in a saving of time and costs to all concerned. Both parties were reasonably satisfied with the award of the panel. The Communications Authority was so impressed with the process that it asked the panel to prepare a brochure for distribution to its clientele in the communications industry describing the process of arbitration.

The enactment of new arbitration legislation in December 2000 and the establishment of the Zambia Dispute Resolution Center has helped foster business confidence in the arbitration process.

SUCCESS STORY 12

ADR: STORY OF ABHA PATEL

Arbitration and mediation are two sides of the same coin. Arbitration bypasses the courts, while mediation is demanded by the courts as an alternative to a completion of full court procedure. Both assist with improving the administration of justice and achieving the rule of law through more efficient process. Both are good for business as they reassure investors that commercial disputes have quick access to rule of law. There are other surprise benefits as glimpsed in the story below.

Abha Patel was born in India, migrating with her family to Zambia when she was seven. She has practiced for 12 years as a lawyer. She was trained in 1999 in both arbitration and mediation after paying a nominal fee. The legal profession can be disappointing, compared to the inspiration of study -- helping people through the law profession. Achieving a fair financial settlement for a client is hindered by slow, inefficient legal process: a civil claim taking five years through the courts means that, with 25-30% annual inflation and currency devaluation, the final award is a pittance. The Supreme Court has ruled that financial disputes must be in local currency, supporting the national currency, while rejecting the argument of deflation. ADR is a alternative, because it can save a client years in the courts, hence the money awarded is still worth something.

As a mediator, she immediately gets to the point at hand. "The case has already been in the courts, so tell me your story, I do not want to read the files." Often within 30 minutes it becomes clear to her whether or not she can mediate the case. She mediated for a poor Zambian couple who had lost their nine-year-old child hit by a hospital vehicle two years before. The couple were forced to reappear many times in court over a period of two years, each time the case rescheduled, each time they rediscover the pain of losing their child. In the brief mediation session over which she presided, the hospital board agreed to a settlement, provided they did not admit to liability. The settlement was only a few hundred dollars but the family could move on at last.

SUCCESS STORY 13

THE OASIS STORY

"Oasis" is a political catchword all Zambians recognize. The movement to stop President Chiluba from running for a third unconstitutional presidential term was named after the venue of the first and now historic public meeting on February 21, 2001. A huge and partly-abandoned circular restaurant was the only site available when 1,000 persons, including some members of the ruling party came together to publicly oppose him. The newly formed organizers, later named "Oasis" combined both Catholic and Protestant churches, the Law Association and NGOCC (a women's group), evolving into a series of seminars and public gatherings throughout the country, the 'green ribbon' and car honking campaigns, street protests and debate within the political opposition about coalition, leading some three months later to the President declaring he would retire. "Oasis" is an example of a *zeitgeist*, a spontaneous social movement that changed the face of Zambian politics.

Brenda Liswaniso, who presently works for a US NGO partner in Lusaka, was a member of the NGOCC and one of three women who dreamed up the 'green ribbon' protest early in January 2001. She, like many of her colleagues, had been through the excitement of 1991 when the union leader Frederick Chiluba and his MMD party led Zambia away from one party state under Kenneth Kaunda. She became disillusioned within a year or two, watching the dismissals or resignations of popular and respected ministers who disagreed with the leader, the appointment of questionable characters, the harassment and humiliation of Kaunda accused of stealing books from State House (later jailed on

trumped up treason charges), the leader's expensive suits, or the refurnishing of State House while the country's needs were passed over. In the early 1990's she was well placed to observe her disappointment, working for a YMCA advocacy group, a forerunner of FODEP, the election observation organization that USAID helped start up. By 1996 she did not bother to vote.

Her apathy changed when she started working as a trainer of advocacy NGOs. Participation with NGOCC started in 1999. By December 2000 rumor was growing strong that Chiluba was seriously looking for ways to stay on as President, and a few women from the executive began seeking means to protest. The popular Nyanja saying which roughly translates as "suffer in silence" is a good measure of normal Zambian reaction to events, but feeling was beginning to run high, though not as yet in public. The executive composed an unsigned letter published in the independent newspaper, *The Post*, "We the people", which apparently touched a chord. They quoted from the President's own past words about democracy, the Constitution, need to hand over power. Drafting their second letter, one pulled a green ribbon from her purse, and the letter became, "if you do not want a third term, wear a green ribbon next Monday." To their amazement, Monday found green ribbons everywhere. Suddenly another anonymous letter, "From the brothers," proposing a green ribbon every day and car honking every Friday. The wave rose higher. While police arrested some who honked, the MP Depak Patel wore a ribbon to Parliament. The following week NGOCC was approached by an organizer from the Law Association – who independently the same week had asked USAID to fund an internal membership debate on the constitutionality of the third term– and "Oasis" was born.

Over the next three months, Zambia was 1991 again and more -- 22 government ministers joining the protest, files leaked on major corruption stories, open criticism in public transport as never before, calls for presidential impeachment, which the government fought off by avoiding recall of Parliament. Numinous events such as this, however, do not last; the passion and spirit that drive them fade, the surfer's 'perfect wave' becomes flat water, or in this case, the ostensible reason for the movement finds victory: in April President Chiluba announced he will not run again and the Constitution had been preserved.